

Message Text

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17

ACTION EA-14

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E.O. 11652: N/A

TAGS: ENRG, JA

SUBJECT: ENERGY: PHASE II OF JAPANESE ENERGY CONTROL

REF: TOKYO 0123

BEGIN UNCLASSIFIED:

SUMMARY: MITI WILL BEGIN PHASE II OF PETROLEUM AND ELECTRICITY CONTROLS ON JANUARY 16. THROUGH ADMINISTRATIVE GUIDANCE, MITI WILL CALL FOR FIFTEEN PERCENT REDUCTIONS IN PLANNED PETROLEUM CONSUMPTION FOR BULK OF INDUSTRIAL USERS. HOUSEHOLDS WILL BE EXEMPT AND SOME OTHER SECTORS WILL BE EXEMPT OR SUBJECT TO LOWER REDUCTION RATES. MANDATORY ELECTRIC CUTS WILL BE FIFTEEN PERCENT OF OCTOBER LEVELS IN MOST CASES. IF OIL SUPPLY SITUATION UNCHANGED, OIL CONSUMPTION CONTROLS WILL BE MADE MANDATORY ON FEBRUARY 1. END SUMMARY

1. AS INDICATED REFTTEL, PHASE II OF JAPANESE ENERGY CONSUMPTION CONTROLS WILL BECOME EFFECTIVE ON JANUARY 16. FOLLOWING IS A SUMMARY OF MITI ANNOUNCEMENT OF PHASE II
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MEASURES.

2. RESTRICTIONS ON OIL CONSUMPTION:

A) USING ADMINISTRATIVE GUIDANCE, MITI WILL CALL FOR BASIC REDUCTION OF FIFTEEN PERCENT TO GENERAL USERS OF PETROLEUM. TO ASSURE EFFECTIVE IMPLEMENTATION OF THIS PROGRAM, MITI MINISTER WILL GIVE SPECIFIC AND STRONG GUIDANCE TO MAJOR INDUSTRIES ENGAGED IN FOLLOWING LINES OF BUSINESS: AUTO, ELECTRICAL, PETRO-CHEMICAL, CEMENT, STEEL, PAPER, ALUMINUM, CHEMICAL FIBERS, NON-FERROUS METALS, GLASS, (SAME AS THOSE DESIGNATED UNDER PHASE I). UNLESS THE SITUATION IMPROVES, RESTRICTIVE MEASURES ARE EXPECTED TO CONTINUE IN EFFECT IN FEBRUARY. IN THIS CASE, MEASURES WILL NOT BE TAKEN THROUGH ADMINISTRATIVE GUIDANCE, BUT IN ACCORDANCE WITH PROVISIONS OF PETROLEUM SUPPLY STABILIZATION LAW.

B) FOR JANUARY 16-31 PERIOD, FOLLOWING SPECIFIC MEASURES WILL APPLY TO PETROLEUM CONSUMERS OTHER THAN LPG USERS (WHO WILL NOT BE RESTRICTED):

CATEGORY I - PUBLIC TRANSPORT, FISHING, FARMING, FOOD MAKING, PUBLIC HOUSING, MASS MEDIA, ETC. -- LIMITED TO ACTUAL CONSUMPTION IN JANUARY 16-31 PERIOD.

CATEGORY II - FORESTRY, FEEDSTUFFS AND LIVESTOCK, ACADEMIC, SMALL MANUFACTURERS WHO USED LESS THAN TEN KL OF OIL IN JANUARY 1973, SMALL WHOLESALERS AND RETAILERS -- 95 PERCENT OF JANUARY 16-31 CONSUMPTION

CATEGORY II - OTHER LINES OF BUSINESS -- 87 PERCENT OF JANUARY 16-31, 1973 CONSUMPTION.

EXCEPTIONS TO ABOVE: SCHOOLS, HOSPITALS AND OTHER PUBLIC SERVICE INDUSTRIES, FIRE-POLICE, ENERGY RELATED INDUSTRY

C) APPROPRIATE AMOUNTS OF OIL SUPPLIES WILL BE ASSURED FOR HOUSEHOLDS AND OTHER USERS ENGAGED IN PUBLIC SERVICES AND UTILITIES SUCH AS FISHING, FARMING, PUBLIC TRANSPORTATION, AND HOSPITALS. EFFORTS WILL ALSO BE MADE TO AVOID ADVERSE EFFECTS ON SMALL BUSINESSES.

3. RESTRICTIONS ELECTRICITY USE:

A) USE OF ELECTRICITY WILL BE LIMITED FROM JANUARY 16 THROUGH FEBRUARY 28, 1974, BY INVOKING PROVISIONS OF ELECTRIC UTILITY LAW IN LIEU OF CURRENT ADMINISTRATIVE GUIDANCE MEASURES. BASICALLY, RATE OF REDUCTION WILL BE FIFTEEN PERCENT (OF OCTOBER LIMITED OFFICIAL USE

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LEVELS) AND WILL BE APPLIED TO USERS OF OVER 500 KW.

B) FOLLOWING SPECIFIC RATES WILL APPLY:

CATEGORY I - LIBRARIES, RESEARCH LABS, PHARMACEUTICAL, DAIRY, WHEAT FLOUR AND CHEMICAL FERTILIZER MANUFACTURING -- 95 PERCENT OF OCTOBER 1-31, 1973 CONSUMPTION.

CATEGORY II - NEWSPAPERS, STOCK EXCHANGES, EXPRESSWAYS, ETC.-- 90 PERCENT OF OCTOBER 1-31, 1973 CONSUMPTION

CATEGORY III - GENERAL INDUSTRY -- 85 PERCENT OF OCTOBER

1-31, 1973 CONSUMPTION

C) IN ADDITION, USE OF NEON SIGNS AND OTHER ADVERTISING

LIGHTING WILL BE PROHIBITED EXCEPT FOR THOSE SIGNS SHOWING
STORE NAME DURING BUSINESS HOURS. CONSUMPTION PLANS OF
FACILITIES USING OVER 3,000 KW OF ELECTRICITY WILL BE
SUBJECT TO SPECIFIC APPROVAL BY GOVERNMENT.

D) EXCEPTION WILL BE MADE FOR FISHING, FARMING, PUBLIC
TRANSPORTATION, COMMUNICATIONS, HOSPITALS, ETC. VOLUNTARY SAVE
ENERGY CAMPAIGN WILL CONTINUE FOR SMALL COMMERCIAL AND HOUSE-
HOLD USERS.

END UNCLASSIFIED

4. BEGIN LIMITED OFFICIAL USE - COMMENT: APPEARS TO US THAT
MITI USING BIT OF SLEIGHT OF HAND STRATEGY IN RESPECT TO
PETROLEUM CUTS. MITI SUMMARY OF ENERGY CUTBACKS REFERS TO
QTE BASIC FIFTEEN PERCENT UNQTE CUT IN OIL CONSUMPTION WHICH
MITI OFFICIALS TELL US MEANS FIFTEEN PERCENT OF PLANNED CON-
SUMPTION IN LATE JANUARY 1974 PERIOD. DETAILED MITI PAPER,
HOWEVER, CALLS FOR THIRTEEN PERCENT REDUCTION FROM JANUARY
1973 LEVELS, WHICH GIVEN THEN PERCENT GROWTH IN USE OF
PETROLEUM, APPEARS TO US TO PUT EFFECTIVE REDUCTION GUIDANCE
AT OVER TWENTY PERCENT. LOWER PERCENTAGE, OF COURSE,
WOULD BE MUCH MORE ACCEPTABLE POLITICALLY, ESPECIALLY IN
VIEW OF OAPEC RELAXATIONS. END LIMITED OFFICIAL USE
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